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**GROUP TERM LIFE AND ACCIDENTAL DEATH AND
DISMEMBERMENT (AD&D) INSURANCES**

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RFP No. F10B8400043

**Q&A #3
ISSUED APRIL 25, 2018**

Ladies/Gentlemen:

This List of Questions and Answers #3, Question 86, is being issued to clarify certain information contained in the above named RFP. No provided Answer to a Question may in and of itself change any requirement of the RFP.

86) We have a question regarding the Performance Guarantee and Liquidated Damages. There appears to be an error with the stated Liquidated Damages:

*1. **Telephone Call Availability:** Currently the Liquidated damages state 0.10% of premiums for each percentage point, or fraction thereof. Should this actually be .01% for each percentage point?*

If the .10% is correct, liquidated damages for missing the stated goal by 5% would be \$110,000 quarterly and missing the stated goal by 20% would be \$440,000 quarterly.

*2. **Telephone call Abandonment rate:** States the standard/Goal is an abandonment Rate of 3% but the Liquidated Damages is \$500 per percentage point over 5% per reporting period.*

The liquidated damages and goal do not align. Should the Abandonment rate be 5%? Which is correct?

ANSWER:

1. Performance Guarantee Liquidated Damage for Telephone Call Availability is correct as stated as 0.10% of premium for each percentage point, or fraction thereof.

2. The standard/goal is an abandonment rate of 3% or less for both Life and AD&D Insurances. Amendment #3, issued concurrently with this A&S #3, revises Attachment P to the RFP; Appendix 2.1-8, Group Life PG-2 (page 27) and Accidental Death and Dismemberment (AD&D) PG-2 (page 29); Appendix 2.2-8, PG-2 (page 24); and Appendix 2.3-8, PG-2 (page 24) to clarify that the standard/goal is a telephone call abandonment rate of 3%.